

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN MIKE TAYLOR**, on January 22, 2001 at 8:00 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Mike Taylor, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Edward Butcher (R)
Sen. Vicki Cocchiarella (D)
Sen. Sam Kitzenberg (R)
Sen. Dale Mahlum (R)
Sen. Glenn Roush (D)
Sen. Don Ryan (D)

Members Excused: Sen. Dale Berry (R)

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Kyanne Kelly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 201, 1/19/2001; SB78,
1/19/2001; SB 189, 1/19/2001
Executive Action:

HEARING ON SB 201

Sponsor: SENATOR AL BISHOP, SD 9, Billings

Proponents: Julie Ippolito, Don't Gamble With The Future
Betty Whiting, Montana Association of Churches
Julie Millum, Christian Coalition

Opponents: Mark Staples, Tavern Association
Rick Miller, Gaming Industry Association
Tom Ellis, Wells Fargo Bank
John Cadby, Montana Bankers Association
Carl Solvie, Grand Tree Lounge, Bozeman
Kati Kintli, Jackson, Murdo & Grant
Ronda Carpenter, Coin Machine Operators Assoc.
Bob Fletcher, The Cannery & Bob's Burgers, Bozeman
John McGreevey, ATM of Montana

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 1.4}

SENATOR AL BISHOP, SD 9, Billings said the bill was designed to do one thing, that is to take automated teller machines out of any place that has gambling. The reason for the bill is an attempt to save some families from the heartbreak and despair that comes about because of the problem gamblers in Montana.

Proponents' Testimony:

Julie Ippolito, Don't Gamble With The Future, supports SB 201 because it creates a "think about what you're doing" moment.

Betty Whiting, Montana Association of Churches, spoke of statistics on gambling in Montana. She stated gambling is addictive and the gambling spree could be interrupted by removing ATM machines from casinos.

Julie Millum, Christian Coalition, stated that gambling was a vice 30 years ago. She stated that this bill would make it more difficult for the gambler to spend more than he should.

Opponents' Testimony:

Mark Staples, Tavern Association, acknowledged there are people with serious gambling problems. But, he said, this bill does not address the problem in any rational way. Unlike a check, ATM machines only give people a daily limit, and this provides more protection from overspending than check writing. He also stated that in some small towns in Montana some bars are the only "bank" that has an ATM, and thus would create a hardship for the people living in the area.

Rick Miller, Gaming Industry Association, said it wouldn't just be the casinos that would be effected by this. This bill bans ATM's from adjacent properties. Also effected by this bill are hotels, motels, restaurants gift shops, possibly some resorts, including Big Sky and Big Mountain. Travel Centers would also be effected. **EXHIBIT (bus17a01)**

Tom Ellis, Wells Fargo Bank, said they take losses all the time from insufficient funds checks, but ATM only dispenses from available funds. ATM's also have daily limits usually. The ATM's provide customer services other than dispensing cash. **EXHIBIT (bus17a02)**

John Cadby, Montana Bankers Association, stated they are opposed to the bill.

Carl Solvie, Grand Tree Lounge, Bozeman, pointed out that they did put in an ATM in the hotel a year ago. The intent was for all the guests not just for the casino.

Kati Kintli, Jackson, Murdo & Grant, stated she opposes the bill. Several of her clients asked her to appear in opposition to the bill. Her clients will be left with the contract for lease or purchase of ATM machines if they are removed from their establishments.

Ronda Carpenter, Coin Machine Operators Association, agrees with the intentions of this bill, to stop gambling. However she believes that gambling is a disease and this is not the right means of addressing the problem.

Bob Fletcher, The Cannery & Bob's Burgers, Bozeman, stated he bought a small ATM machine for \$8000.00. He has made an investment in this, and people like the use of it. As a small business he urged the committee to vote no.

John McGreevey, ATM of Montana, stated an ATM is a financial service that is provided for all customers, not just a select group. **EXHIBIT (bus17a03)**

Questions from Committee Members and Responses:

SENATOR MIKE SPRAGUE asked if a person could withdraw money from an ATM if they didn't have the asset.

Tom Ellis said they can only withdraw assets that are available.

SENATOR SPRAGUE clarified by asking the difference between ATM and credit cards. He asked if you are getting out money you already have with ATM, and with a credit card you are incurring debt.

Tom Ellis said yes.

Closing by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 17.2}

SENATOR AL BISHOP, SD 9, Billings, handed out a proposed amendment, saying this bill was designed to help in some small way, not to be a cure-all. **EXHIBIT (bus17a04)** (SB020101.agp)

HEARING ON SB 78

{Tape : 1; Side : B; Approx. Time Counter : 27.8}

Sponsor: **SENATOR DON HARGROVE, SD 16, Gallatin County**

Proponent : Aidan Myhre, Montana Chamber of Commerce

Opponents: None

Opening Statement by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 23}

SENATOR DON HARGROVE, SD 16, Gallatin County, said the "One Stop" system was enacted in the 1999 session. It is one place to go for licenses for many different things. There are six agencies involved now. SB 78 says one-half of the cost of administering this program would be charged to the benefactors. Right now the state is picking up all of the costs. So, this bill would pass on some of the cost to the people using the service. This cost would be about \$5.00.

Proponents' Testimony:

Aidan Myhre, Montana Chamber of Commerce, said they support this bill.

Opponents' Testimony: None

Questions from Committee Members and Responses: **SENATOR SPRAGUE** asked **Lee Baerlocher** from the **Department of Revenue** how "One Stop" works.

Lee Baerlocher said that in the past a person would have to be in touch with multiple agencies to receive multiple licenses, and write multiple checks. One stop licensing now allows the licensing to be done through one master application.

Closing by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 8.3}

SENATOR DON HARGROVE, SD 16, Gallatin County this bill would simply add a fee for services to the customers who use it.

HEARING ON SB 189

Sponsor: **SENATOR WALTER MCNUTT, SD 50, Sidney**

Proponents: **John Cadby, Montana Bankers Association**
 Chris Olson, Department of Commerce
 Keith Colbo, Montana Independent Bankers

Opponents: None

Opening Statement by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 13.5}

SENATOR WALTER MCNUTT, SD 50, Sidney said the basic purpose of the bill is to match state and federal law with the new financial reform law that congress passed. It will also level the playing field between state-chartered and national-charted banks. He stated the bill also provides for a source of funds from the federal home land bank that will assist banks in the state with more money for loans. **EXHIBIT (bus17a05)**

Proponents' Testimony:

John Cadby, Montana Bankers Association, handed out written testimony **EXHIBIT (bus17a06)**.

Chris Olson, Department of Commerce, stated the department does have problems with the amendment **EXHIBIT (bus17a07)**.

Keith Colbo, Montana Independent Bankers, said this bill was developed by a committee of bankers. He said this helps the bankers to stay current with the changes.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SENATOR EDWARD BUTCHER asked **Chris Olson** if there had been problems in the last 10 years. **Chris Olson** said 8-10 years ago there was a bank that was in business which was in conflict with state regulating.

SENATOR GLENN ROUSH asked if there is a problem with branch banking.

John Cadby replied branching was a controversial issues some years ago. This bill removes a restriction so that banks can locate their branches where they want to.

Chairman Taylor asked if this would create a problem for the small banks.

John Cadby said no.

Chairman Taylor asked if **John Cadby** agreed with the amendment.

John Cadby said yes.

Closing by Sponsor:

{Tape : 2; Side : B; Approx. Time Counter : 3.3}

SENATOR WALTER MCNUTT, SD 50, Sidney said this would streamline things for bankers. He also pointed out that there was agreement on the amendment.

ADJOURNMENT

Adjournment: 9:40 A.M.

SEN. MIKE TAYLOR, Chairman

KYANNE KELLY, Secretary

MT/KK

EXHIBIT (bus17aad)